C12SC-1
5/12/89

The Fifth Estate

RADIO TELEVISION CABLE SATELLITE

Broadcasting May15

THE LARGEST COMMITMENT TO ORIGINAL PROGRAMMING IN BASIC CABLE CONTINUES.

THE HAUNTING OF SARAH HARDY

A USA WORLD PREMIERE MOVIE.
COMING MAY 31.

Starring

Sela Ward

USA NETWORK
AMERICA'S FAVORITE CABLE NETWORK

58th Year 1989

Viacom suing Time Inc. for $2.4 billion

Latest in broadcast biz from NAT

Broadcasting May15

Vol. 116 No. 20

NBC-TV's affiliate contracts due for change...

Working with ad hoc committee of affiliate members, network outlines new performance-based affiliation agreement. **PAGE 27.**

Suing Time...

Viacom Inc. files $2.4 billion antitrust suit against Time Inc., alleging monopolistic activity. Time says complaint is "totally baseless." **PAGE 28.**

TV's top 20...

BROADCASTING lists top 20 companies in TV group ownership, ranked by their penetration of U.S. **PAGES 28, 29.**

30/***VERDICT POSTPONED***
In survey of top broadcast group owners, BROADCASTING finds mix of views on telco entry into television business.

31/***'ROE VS. WADE'***
After some advertisers pull their ads, NBC President Robert Wright defends network's made-for-TV movie about 1973 Supreme Court decision legalizing abortion.

34/***STEPPING OUT***
In effort to break away from rest of station pack, KHJ-TV Los Angeles considers offering all news in prime time.

34/***TURNER TALKS***
TBS President and CEO Ted Turner stumps for retention of network financial and syndication rules, predicting that their relaxation will permit commercial broadcast networks to "own Hollywood."

34/***SIKES SCENARIO***
Alfred Sikes, assistant secretary of commerce for communications and information, says U.S. is still in race with Japan and Europe to develop HDTV.

35/***EVERYTHING IN BETWEEN***
Record number view NAB's annual broadcast equipment exhibition of high-definition TV displays, cameras, transmitters, video graphics and more.

Panasonic's all-digital camera

50/***ULTRA ENTERTAINMENT***
New in-house production unit, Capital Cities/ABC Video Enterprises-Ultra Entertainment is officially launched to create series and specials in all programing genres.

54/***READY TO MERGE***
Legacy and Metropolitan executives offer more details of proposed merger with Westinghouse during company sales and marketing seminar.

51/***LIGHTS OUT***
ABC cancels *Moonlighting* after four seasons.

Bruce Willis, Cybill Shepherd say goodbye

53/***'NO CZAR'***
Independent producers tell Congress they oppose creation of so-called PBS "programing czar."

58/***SELLING PUBLIC RADIO***
Audience expansion and strategic planning top Public Radio Conference agenda in San Francisco.

59/***COUNTER MOVE***
Time Inc. and Warner Communications file complaint against Chris Craft Industries in attempt to prevent it from delaying proposed Time-Warner merger.

59/***TAKEOVER?***
Viacom's stock price climbs amid reports that Gulf + Western and Viacom have discussed stock swap or buyout.

61/***FINDING COURAGE***
Former President Jimmy Carter calls on journalists to fight censorship around the world.

64/***TEXAS TALE***
NCTA readies for its annual meeting May 21-24 in Dallas.

65/***TV VIOLENCE***
During hearing on pending TV violence legislation, House Judiciary subcommittee quizzes network executives about their policies.

67/***HDTV BILLS***
New legislation is introduced in House and Senate that would stimulate growth of HDTV industry in U.S.

87/***A GENTLEMAN AND A SCHOLAR***
Leading member of communications bar, FCBA President William Potts Jr. divides his time between law and his interest in classic cars, music, history and politics.

DEPARTMENTS

Advertisers Index	**86**
Business	**59**
Changing Hands	**63**
Closed Circuit	**6**
Datebook	**22**
Editorials	**90**
Fates & Fortunes	**83**
Fifth Estater	**87**
For the Record	**69**
In Brief	**88**
International	**61**
Law & Regulation	**65**
Masthead	**24**
The Media	**64**
Monday Memo	**25**
On Radio	**54**
Open Mike	**24**
Programing	**50**
Special Report	**35**
Stock Index	**73**
Where Things Stand	**14**

Broadcasting (ISSN 0007-2028) is published 52 Mondays a year by Broadcasting Publications Inc., 1705 DeSales Street, N.W., Washington, D.C. 20036. Second-class postage paid at Washington, D.C., and additional offices. Single issue $2 except special issues $3.50 (50th Anniversary issue $10). Subscriptions, U.S. and possessions: one year $70, two years $135, three years $190. Canadian and other international subscribers add $20 per year. U.S. and possessions $235 yearly for special delivery, $100 for first-class. Subscriber's occupation required. Annually *Broadcasting* □ *Cablecasting Yearbook* $115, *Across the Dial* $6.95. Microfilm of *Broadcasting* is available from University Microfilms, 300 North Zeeb Road, Ann Arbor, Mich. 48106 (35mm, full year $55). Postmaster, please send address corrections to *Broadcasting*, 1705 DeSales St., N.W., Washington, D.C. 20036.

reexamining its broadcast-newspaper crossownership rules.

Rupert Murdoch won victory in U.S. Court of Appeals in Washington March 29, 1988 when court ruled that statute passed by Congress in session's final hours violated First and Fifth Amendments by prohibiting FCC from extending current waivers of rule banning newspaper-television station cross-ownership. Court did not rule on constitutionality of substance of provision that bars commission from repealing or modifying television-newspaper crossownership ban.

High-Definition TV

■ American National Standards Institute has reversed its earlier approval of 1,125/60 (SMPTE 240M) HDTV production standard upheld on appeal by Capital Cities/ABC. ANSI decision came following letter to State Department by Advanced Television Systems Committee (ATSC) relayed to U.S. position supporting 1,125/60 approval as worldwide standard by CCIR in 1990 be shifted to work for worldwide standard by 1994 with study to examine more flexible approach to world agreement. State Department subsequently changed position to reflect ATSC suggestion.

Blue Book, committee of FCC advisory committees advising on advanced television services (ATS), has approved second interim report on progress toward recommendation of HDTV transmission standard. It outlines some of progress that is in agreement on software to be used for broadcast testing of HDTV transmission systems that must be worked out before field tests. Completed test plan is expected to be approved at July Blue Book committee meeting. April 27 group outlined back to its goal for beginning of testing from Oct. 1 to Jan. 2, 1990.

Defense Department will provide about $30 million in funding to private organizations researching and developing new, low-cost methods of displaying and processing HDTV pictures. Program hopes program will lead to many products of new high-resolution service for consumer and defense applications. Defense Advanced Research Projects Agency received proposals.

On Sept. 1, 1988 FCC tentatively decided to eliminate four standards for transmission of high-definition systems with bandwidth of 9 mhz, channel configuration will not be sets. Move eliminates possibility of Narrow-standard version of Japan's MUSE system. Commission also decided to reserve any possible need for spectrum for advanced television broadcasting to 2 mhz in each of VHF and UHF television portions. Uses of band above 1 ghz for auxiliary purposes will be sought.

Indecency

Implementing language of indecency law signed by President Reagan as part of [illegible] Oct. 21, 1988) FCC unanimously adopted new policy that prohibits indecent broadcasts 24 hours per day. But policy and underlying law are being challenged in courts on First Amendment grounds by coalition of broadcasting and public-interest groups including such diverse groups as National Association of Broadcasters and Action for Children's Television. On Jan. 23 three-judge panel of U.S. Court of Appeals in Washington granted request by coalition for stay of Jan. 27 start of 24-hour ban (Broadcasting, Jan. 30).

U.S. Court of Appeals in Washington had affirmed FCC's earlier indecency enforcement policy based on premise that FCC could not ban indecency but could channel it to times when few children are in audience. But court remanded case to commission to justify midnight-to-6 a.m. safe harbor. In light of congressional action, FCC will not go ahead with its remand rulemaking. FCC and number of media groups are engaged in court battle over issues in Supreme Court case involving constitutionality of ban on "dial-a-porn" messages.

Mergers and Acquisitions

Time Inc. and Warner Communications Inc. announced definitive agreement to merge, creating Time Warner Inc. New company would have pro forma revenues of $10 billion in 1989 if merger were completed, making it largest media and entertainment company in world. According to agreement announced March 4, Warner shareholders will exchange each share of Warner stock for .465 of share of Time stock. Warner shareholders will eventually hold majority of Time Warner. Justice Department said April 6 that it would not oppose merger on anti-trust grounds. To preserve tax benefits of merger set-up companies amended their agreement in mid-April: preliminary stock-swap preceding merger completion will take place only if third party buys or makes offer for certain amount of stock of either company. Time and Warner filed suit against Chris-Craft Industries, Warner's largest shareholder, to prevent Chris-Craft from blocking or delaying merger. Merger requires shareholder approval of both companies, as well as approvals from FCC and municipal governments regarding change in ownership of companies' cable systems. MSO's United Cable Television Corp. and United Artists Communications Inc. said Feb. 9 they had reached agreement in principle on revised terms of their expected merger to form new company, United Artists Entertainment Co. (UAE). Companies had said in January that they would be unable to meet Feb. 28 merger deadline and were reexamining their definitive merger agreement signed in March 1988 and amended in September 1988. Under that agreement, current United Artists

BY THE NUMBERS

Summary of broadcasting and cable

BROADCASTING			
SERVICE	ON AIR	CP's[1]	TOTAL[2]
Commercial AM	4,948	268	5,216
Commercial FM	4,174	676	4,850
Educational FM	1,383	257	1,640
■ **Total Radio**	**10,505**	**1,201**	**11,706**
FM translators	1,689	392	2,081
Commercial VHF TV	545	24	569
Commercial UHF TV	517	229	746
Educational VHF TV	121	6	127
Educational UHF TV	217	28	245
■ **Total TV**	**1,400**	**287**	**1,687**
VHF LPTV	300	205	505
UHF LPTV	324	1,508	1,832
■ **Total LPTV**	**624**	**1,713**	**2,337**
VHF translators	2,717	118	2,835
UHF translators	2,111	457	2,568

CABLE†	
Total subscribers	49,538,000
Homes passed	73,900,000
Total systems	8,000
Household penetration†	54.8%
Pay cable penetration	32%

[illegible] includes off-air licenses. † Penetration percentages are of TV household universe of 90.4 million. [illegible] Construction permits. [illegible] Instructional TV fixed service. [illegible] Studio-transmitter link.

June 13—*Hollywood Radio and Television Society* newsmaker luncheon. Speaker: Lee Iacocca. Beverly Wilshire hotel, Los Angeles. Information: (818) 769-4313.

June 14—*National Academy of Television Arts and Sciences, New York chapter*, drop-in luncheon. Speaker: Jack Valenti, president-CEO, MPAA. Copacabana, New York.

June 14-16—*University of Missouri School of Journalism* management seminar for broadcast news directors. UM campus, Columbia, Mo. Information: Charles Warner, (314) 882-6883.

June 14-16—International Radio Festival of New York and International Advertising Festival, featuring awards banquet. Sheraton Center, New York. Information: (914) 238-4481; fax, (914) 238-5040.

June 15—Corporate Communications Workshop, hosted by *Association of National Advertisers*. Plaza hotel, New York. Information: (202) 659-3711.

June 15-18—"The Use of Microcomputers in Station Management," *NATPE* management seminar. Princess Resort on Mission Bay, San Diego. Information: (215) 664-4400.

June 15-18—*Investigative Reporters and Editors* national conference. Philadelphia. Information: (314) 882-2042.

June 15-18—*Society of Cable Television Engineers* Cable-Tec Expo. Orlando, Fla. Information: (215) 363-6888.

June 17-19—*Alabama Broadcasters Association* spring/summer convention. Lake Guntersville lodge and convention center, Guntersville, Ala. Information: (205) 942-4571.

June 17-22—16th International Television Symposium. Montreux, Switzerland. Information, in Montreux: (41) (21) 963-32-20.

June 17-23—*National Association of Broadcasters* executive management development seminar for radio executives. University of Notre Dame, South Bend, Ind. Information: (202) 429-5420.

June 18-21—*National Broadcast Editorial Association* convention. Keynote speaker: Daniel Schorr. Mayflower hotel, Washington.

Open Mike

Fairness following

EDITOR: Jim Donohue and Ralph Nader completely missed the target and wound up shooting themselves in the foot in the report on the supposed effect of the repeal of the fairness doctrine on news and public affairs programing (BROADCASTING, April 10). Both the research and the conclusions drawn are fatally flawed.

The basic methodology of Donohue's research simply does not permit any valid conclusions to be drawn about the effect of the repeal of the fairness doctrine upon controversial issue programing. The study compares program percentages in the years 1975, 1978 and 1979 with percentages for a partial-year composite week in 1988. Many things happened between the 1970's and 1988 in addition to the repeal of the fairness doctrine. Economic changes in the industry during this period probably had much more impact on programing decisions than any single factor. But we can't tell from this study, and the possibility that such factors might exist is not even acknowledged. Cause and effect relationships are difficult to establish in the most careful research, but in the Donohue study there does not seem to have been any systematic effort to determine why program percentages changed. Indeed, one could as easily surmise that repeal of the fairness doctrine prevented any decline in public affairs programing from being any greater.

On its face, the report shows that the amount of television news and public affairs programing together has *increased*, not decreased (18% in 1988 compared with 14.2% in 1975). And the assumption that controversial issue coverage is focused in public affairs programing and not also in news programing is just not true. As the FCC recognized in findings supporting the repeal of the fairness doctrine, much of television coverage of controversial issues appears in series reports on newscasts, where it is seen by much larger audiences than those who usually watch public affairs programs.

Even more disturbing is the refusal of Donohue and Nader to acknowledge the enormous changes in the marketplace since 1975, specifically the growth of news and public affairs programing on cable television and the substantial increase in the number of broadcast television stations. CNN, C-SPAN and other cable sources of news and other information programs have greatly increased the amount and diversity of controversial issue programing available to the public. The number of television stations has also increased, a fact the study manages to ignore by using percentages instead of total hours. Taking the study's own figures for public affairs programing at face value, the actual hours of such programing may have increased, although the percentage reported dropped. That is because, according to the National Association of Broadcasters' research, the number of television stations increased 46% from 1975 and the typical broadcast day also increased. Of course, the same facts apply to the study's figures on news programing. The 74% increase may be drastically understated and the NAB believes that the real increase in total hours may be more on the order of 150%. Moreover, the number of hours may be even higher because *TV Guide*, the source of program information for the study, lacks listings for many short newscasts and for news specials that cover controversial public issues.

The bottom line is that Donohue's report, as defective as it is, plainly indicates that the American public is receiving more information programing, including coverage of controversial issues, than it did 10 years ago when government regulation was greater.—*Ernie Schultz, president, Radio-Television News Directors Association, Washington.*

The Fifth Estate

Broadcasting
incorporating
TELEVISION

Founder and Editor
Sol Taishoff (1904-1982)

1705 DeSales Street, N.W., Washington, D.C. 20036
Phone: 202-659-2340
Editorial department fax: 202-429-0651
Administrative department fax: 202-331-1732

□

Lawrence B. Taishoff, *publisher*

Editorial

Donald V. West, *managing editor*
Mark K. Miller, Harry Jessell, *assistant managing editors*
Leonard Zeidenberg, *chief correspondent*
Kira Greene, *senior news editor*
Matt Stump, Kim McAvoy, John S. Eggerton, *associate editors*
Susan Dillon, Adam Glenn *(international), assistant editors*
Randall M. Sukow *(technology),* **Peter D. Lambert, Lucia Cobo, Joe Flint,** *staff writers*
Kristina I. Hoyt, *editorial assistant*
Anthony T. Sanders, *systems manager*
Todd F. Bowie, Ed Kaitz, *production*

Broadcasting □ Cablecasting Yearbook

David Seyler, *manager*
Joseph A. Esser, *associate editor*
Deborah Segal, *assistant manager*
Tracy Gilliam-Turner, Paul Muller, Francesca Tedesco, *editorial assistants*

Book Division

David Dietz, *manager*

Advertising

Washington
Kenneth W. Taishoff, *vice president, sales and marketing*
Robert (Skip) Tash, *Midwest and Southern regional sales manager*
Doris Kelly, *sales service manager*
Debra DeZarn, *classified advertising manager*

New York
Joseph E. Ondrick *East Coast regional sales manager*
Randi B. Taishaum, *sales manager*
David Berlyn, *senior sales manager*
Lewis Edge & Associates *(East Coast equipment and engineering): 609-683-7900; fax: 609-497-0412*

Hollywood
John R. Russel, *West Coast regional sales manager*
Schiff & Associates *(Western equipment and engineering): 213-393-9285; fax: 213-393-2381*
Sandra Klausner, *editorial-advertising assistant*

Circulation

Kwentin K. Keenan, *circulation manager*
Patricia Waldron, *data entry manager*
Keith Brody, *subscription service manager*
Joseph Kolthoff

Production

Harry Stevens, *production manager*

Administration

David N. Whitcombe, *vice president/operations*
Philippe E. Boucher, *controller*
Tracy Henry, *assistant controller*
Albert Anderson, *office manager*
Nancy Miller, *personnel administrator*
Shaun Gehan
Marsha L. Bell, *receptionist*

Corporate Relations

Patricia A. Vance, *director*

Bureaus

New York: 630 Third Avenue, 10017
Phone: 212-599-2830
Fax: 212-599-2837
Geoff Foisie, *chief correspondent*
Stephen McClellan, *chief correspondent (programing)*
Rich Brown, George Mannes,
Rod Granger, *staff writers*
Yadira Crawford, *receptionist*

Hollywood: 1680 North Vine Street, 90028
Phone: 213-463-3148
Fax: 213-463-3159
Steve Coe, *staff writer*

Advertising Representatives

Pattis/3M: Chicago *312-679-1100; fax: 312-679-5926;*
New York *212-953-2121; fax: 212-953-2128;*
Los Angeles *213-462-2700; fax: 213-463-0544;*
Hawaii *808-545-2700; fax: 808-599-5802;*
Toronto *416-482-6288; fax: 416-482-9207*
London *(01) 427-9000; fax: (01) 427-5544*

□

Japan *(06) 925-4452; Telex: 02423928*

□

Broadcasting Publications Inc.
A Times Mirror Business Publication

Lawrence B. Taishoff, *president*
Kenneth W. Taishoff, *vice president*
Donald V. West, *vice president*
David N. Whitcombe, *vice president*

Founded 1931. *Broadcasting-Telecasting*® introduced in 1946. *Television*® acquired in 1961. *Cablecasting*® introduced in 1972. □ ® Reg. U.S. Patent Office. □

Copyright 1989 by Broadcasting Publications Inc.

Viacom sues Time for $2.4 billion

Alleges monopolistic activity targeting Showtime/TMC; Time calls complaint 'baseless'

Viacom Inc. filed a $2.4 billion antitrust suit against Time Inc. last week, alleging violations of antitrust laws dealing with the carriage and treatment of Viacom programing services on Time-owned cable systems.

The suit alleges a host of monopolistic practices by Time Inc. and its subsidiaries HBO, American Television & Communications and Manhattan Cable, to prevent carriage and retard the growth of Viacom's pay services Showtime and The Movie Channel. Time said the complaint was "totally baseless."

The suit has caused concern within the cable industry because the arguments Viacom is using against a fellow cable company that is, like Viacom, both programer and operator are the same ones that have often been used by cable's most outspoken critics. Indeed, Preston Padden, president of the Association of Independent Television Stations, was quick with a reaction. "Apparently, NCTA's board chairman [Viacom Cable President John Goddard] and his company are unpersuaded by NCTA's stock arguments that cable is not a monopoly. Obviously, independent television stations share Viacom's problems regarding cable access and channel positioning," he said.

There was also reaction from Senator Howard Metzenbaum (D-Ohio), who has been severely critical of the industry. Metzenbaum, who chairs the Senate Judiciary Committee's antitrust subcommittee, issued

a statement saying: "Private lawsuits will not provide the long-term answer to the competitive problems in the cable industry. Congress is going to have to act or cable TV subscribers will continue to be at the mercy of the monopoly power wielded by cable companies at the local level."

The lawsuit comes at a time of increasing scrutiny of the cable industry. If the case went to trial and the court mandated that Manhattan Cable carry Showtime, for instance, it could deal a major blow to the operator's role in choosing what goes on their systems and substantially change the fundamental relationship between programers and operators. But cable sources said it was their impression Viacom was only seeking what it felt would be fairer treatment of Showtime by HBO relating to marketing campaigns and carriage by ATC.

Charles Dolan, chairman of Cablevision Systems, both a cable programer and operator, expressed regret over the suit. "I hope they are able to work it out," he said.

One view has it that the suit is designed to increase the pressure on Time to carry Showtime in Manhattan and elsewhere. Manhattan Cable announced at a press conference in January 1981 (BROADCASTING, Jan. 12, 1981) a $20 million capital improvement program to upgrade the system to 35 channels that included the addition of Cinemax and Showtime. It added the former, but never the latter. Indeed, a citizen's group brought suit against Manhattan several years ago for failure to carry any pay services other than HBO and Cinemax. The suit was settled when Manhattan added Bravo and Sportschannel, both owned by Cablevision Systems.

Some observers pointed to the timing of the suit, given that Time and Warner Communications are in the middle of a merger that will make their combined cable properties even more formidable competitors. Viacom denied that timing had anything to do with the suit, saying it was in preparation for more than a year.

Warner Cable, which would combine with ATC after the merger, has been a strong supporter of Viacom services, including Showtime, on its systems; one reason for this is that at one time Warner owned a portion of Showtime. MTV, another Viacom service, was developed under the Warner banner. One observer speculated the suit may be intended to insure continued Warner Cable support of Viacom services following the merger.

There is an added irony in that a number of Viacom's and Showtime's top executives, including Frank Biondi and Tony Cox, were with HBO during the time many of the allegations in the complaint were said to have occurred.

In the suit, filed in U.S. District Court in New York, Viacom alleged that Time, HBO, ATC and Manhattan Cable "violated federal antitrust laws by monopolizing, conspiring to monopolize, attempting to monopolize and unlawfully restraining trade." Specifically, Viacom said Time practices were "designed to increase the costs of their rivals, raise barrier to entry and expansion, and otherwise entrench themselves as monopolists by anticompetitive conduct."

Viacom alleged that as long ago as 1980, HBO attempted to induce and coerce cable operators not to carry other pay services. It said that in addition to Manhattan, ATC systems in Memphis; Denver; Champaign, Ill.; Charleston, W.Va.; Ithaca, N.Y.; Council Bluffs, Iowa; Beloit, Wis., and Mankato, Minn., have refused to carry Showtime.

And in markets where Showtime is carried on ATC systems, Viacom alleged Time discriminated against those services "with regard to channel position, in promotion and marketing, and otherwise." Viacom also said HBO has used a "buy through" requirement, telling subscribers they cannot receive Showtime unless they have also purchased HBO and Cinemax. Viacom also said HBO has used "no switch" provisions to retard the growth of Showtime, preventing subscribers from substituting Showtime as the second pay service after HBO.

Viacom said that when HBO introduced Cinemax in 1980, it served as a barrier to entry by others. Channel capacity was tight, and HBO raised the cost of doing business in pay television by pricing Cinemax "often below cost." Viacom said HBO's introduction of its subscriber incentive program (SIP), which discounted or eliminated charges for new HBO pay subscribers, was designed to maintain HBO's entrenched monopoly position. Viacom also said HBO has refused to provide marketing support for operators if they promote pay services

Continues on page 30.

Top-20 box score

The latest list of the top owners of television's station groups (see opposite page) shows some change since last year, but the players remain essentially the same. The exception is RKO, which dropped out of the top 20 with its sale of KHJ-TV Los Angeles to The Walt Disney Co., which now debuts on the list at number 19.

The top four occupants remain the same, but number five, Tribune, moved down a spot to number six, replaced by HSN Silver King, now at number five. HSN will move ahead of Fox Broadcasting once it completes its purchase of WVEU-TV Atlanta. Last year's number 13, Univision, has jumped to number eight with its purchase of three stations in the last 15 months. TVX Broadcast Group has dropped from last year's number 15 spot to number 18, with its sale of three stations. It is also in the process of selling two more.

Gannett and Group W have switched places and are now numbers 10 and 11, respectively, while A.H. Belo has moved from number 19 to number 17, due to RKO dropping out and TVX moving down the list.

Missing from the top-20 chart is Trinity Broadcasting Network, a Santa Ana, Calif.-based group of 12 TV's headed by Paul Crouch. Although the group has a market penetration of 11.75%, it is operated as a nonprofit organization and for that reason is not included on the list.

In the following chart, market penetration is based on the latest Arbitron figures. FCC regulations allow for ownership of up to 12 stations when coverage of the U.S. remains below 25% (or 14 stations if minority control is involved). According to FCC regulations, UHF stations receive a 50% discount on coverage.

Television's top 20

1. Capital Cities/ABC (24.345%)

2. NBC (22.381%)

3. CBS (20.775%)

4. Fox (19.44%)

5. *HSN Silver King (19.05%)

6. Tribune Broadcasting (18.688%)

7. Gillett Holdings (11.048%)

8. Univision Station Group (10.672%)

9. Chris Craft Industries (10.665%)

10. Gannett Broadcasting (9.987%)

11. Westinghouse Broadcasting (9.928%)

12. Telemundo Group (9.223%)

13. Cox Enterprises (8.975%)

14. MCA (7.715%)

15. Scripps Howard (7.569%)

16. Hearst Broadcasting Group (6.784%)

17. A.H. Belo (5.648%)

18. TVX Broadcast Group (5.444%)

19. Walt Disney (5.34%)

20. Gaylord Broadcasting (5.25%)

members of the broadcast establishment "who hope to secure a little protection against competitors." These voices will not prevail, Patrick said, as "we have committed ourselves to policies of competition and open entry."

Patrick said that fiber optics and other high-capacity, multichannel technologies are the real threat to broadcast survival, not telco entry, per se. The introduction of fiber optic program delivery will provide consumers with a large number of improved television signals. "And with the rapid improvement of interactive technology, consumers may become their own program packagers."

The best way for broadcasters to exploit such advantages as talent pool, local community presence and First Amendment rights is to refine their identity, said Patrick. "You're not in broadcasting, you're in video news, information and entertainment. Don't tie yourselves to a given technology. Viewers identify with you because of what you show them, not how," he said.

Patrick also said that the compulsory license must be repealed. "The cable industry should not be permitted to take the product that you have developed...and pass it off, without asking, as theirs.... You are still ahead in the production and packaging of professional quality programing of local interest. But the window of opportunity is closing. Make yourself more valuable to the cable industry now."

Just as the networks are insuring their future survival as editors and program packagers for multiple channels by moving into cable, said Patrick, "this same approach can be taken on the local level by broadcasters with the unique resources in their community.

Greater opportunities [illegible] phone companies, Patrick said, have them have gone [illegible] ness they can't [illegible] they've learned [illegible] from other [illegible] role in the [illegible] ness.

"By pursuing [illegible] tics and [illegible] can more [illegible] works and [illegible] Patrick said. [illegible] ment rights [illegible] restriction and [illegible] erty rights will [illegible] increasingly [illegible]

First-quarter television network revenue: 1989 vs. 1988

(Add 000)

	Prime Time	Late Night	A.M.	Daytime	Children	Sports	News	Total
Revenue from client-supplied programing								
First quarter '88	$4,188	$0	$0	$0	$0	[illegible]	[illegible]	[illegible]
First quarter '89	9,433	0	0	0	0	[illegible]	[illegible]	[illegible]
% change	125.24	NA	NA	NA	NA	[illegible]	[illegible]	[illegible]
All other gross revenue from time sales								
First quarter '88	919,797	82,741	50,721	292,151	22,131	[illegible]	[illegible]	[illegible]
First quarter '89	1,100,363	93,307	64,049	237,675	23,661	[illegible]	[illegible]	[illegible]
% change	19.63	12.77	6.56	18.66	6.91	[illegible]	[illegible]	[illegible]
Total gross revenue from time sales								
First quarter '88	923,985	82,741	50,721	292,151	22,131	[illegible]	[illegible]	[illegible]
First quarter '89	1,109,796	93,307	64,049	238,175	23,661	[illegible]	[illegible]	[illegible]
% change	20.11	12.77	6.56	18.48	6.91	[illegible]	[illegible]	[illegible]
Less advertising agency commissions								
First quarter '88	138,595	12,410	7,605	43,779	3,320	[illegible]	[illegible]	[illegible]
First quarter '89	166,469	13,996	8,107	35,662	3,549	[illegible]	[illegible]	[illegible]
% change	20.11	12.78	6.60	18.54	6.90	[illegible]	[illegible]	[illegible]
Total net revenue from time sales								
First quarter '88	785,390	70,331	43,116	248,372	18,811	[illegible]	[illegible]	[illegible]
First quarter '89	943,327	79,311	45,942	202,513	20,112	[illegible]	[illegible]	[illegible]
% change	20.11	12.77	6.55	18.46	6.92	[illegible]	[illegible]	[illegible]

*Does not include color insertion revenues.
**Includes no political parties/candidates revenues for the 1989 first quarter.

Net broadcast television network revenue declined 6% to $1,755,317,000, in the first quarter of 1989, according to numbers provided to BROADCASTING by the Broadcast Financial Management Association (BFM), and compiled from unaudited submissions ABC, CBS and NBC made to Arthur Young & Co. That three-network total number represents a decline of roughly 6% from the 1988 first quarter, but there is reason to think the "underlying" revenue change—excluding the impact of the Olympics—continues to be positive. Some have estimated ABC's first-quarter incremental Olympics revenue at just under $200 million, implying that underlying revenue actually grew in the just-completed quarter by roughly 4%. Looked at over two years, total dollars for the networks are up roughly 5%, compounded.

Conclusions about the state of the various dayparts are more difficult to make because the Olympics [illegible] parts—disrupt comparisons and because [illegible] tion of certain dayparts disrupt comparisons [illegible] quarter. Early-morning or A.M. [illegible] daypart [illegible] preemption by Olympic programing increased [illegible] million. In 1988's first quarter, political advertising on the networks amounted to $458,000.

One small but continuing trend is an increase in client-supplied programing. In the first quarter of 1987, the category [illegible] does not include daytime purchased by Procter & Gamble on CBS—was up 130% following an increase of 24% in the first quarter of 1987 and 18% in 1988. Client-supplied programing is essentially concentrated in sports and prime time, although in each daypart, the category is still [illegible] 1% of the total.

sodes planned for at the beginning of each season. In its final season, only 13 original episodes were produced.

However, Caron insisted last week that "*Moonlighting* was an extraordinarily profitable venture for ABC." As to the program's downfall, Caron waxed philosophical. "When it was at its peak, it was viewed with extraordinary intensity," he said. "There was tremendous media coverage of the show and its coverage and its characters. It's like a great meal. You enjoy it and say, 'That was fine,' and then push yourself away from the table." That's what viewers did with the show, said Caron.

ABC declined to make executives available for comment on the cancellation, but did issue a statement. "We feel the show has reached a creative conclusion and that this is the appropriate time to end the series," the network said. "We are quite proud of the innovation which *Moonlighting* brought to television during the past four years, and are appreciative of the program's tremendous contribution to ABC's program schedule during that time." □

Rep executive warns of 'copycat' programing

Petry's Kurlander says 'overkill' leads to viewer erosion to cable and that merger mania has contributed to lack of innovative programing

Citing the tabloid television trend as the most recent example, Dick Kurlander, vice president, programing, Petry Television, urged the broadcast industry to reduce its dependency on "copycat" program development.

"The overkill issue is very real," said Kurlander, addressing a crowd attending a luncheon last week sponsored by the New York chapter of the National Academy of Television Arts and Sciences. "The industry can't support five clones of *Current Affair*."

The five programs he cited were *Inside Edition* and *This Evening*, both launched this mid-season, and *Tabloid*, *Crime Watch Tonight* and *Inside Report*, all to be launched nationally next fall.

"Most of those shows won't be around by the end of next season," Kurlander said. But perhaps of greatest concern, he added, was that "the copycat syndrome contributes to [viewer] erosion to cable."

While much has been made of the declines in network viewing at the expense of cable, Kurlander cited figures from Nielsen's February ratings measurements indicating cable is making an impact locally as well. Some 25% of all television viewing between the hours of 4 p.m. and 8 p.m., primarily programed with local news and syndication programing, was to signals outside the home market in February, Kurlander said. "We must develop innovative programing to attract the viewer back to the home market," he said. "The word localism is hardly spoken anymore."

Merger mania has also contributed to the lack of innovative programing, said Kurlander. Five companies now account for 50% of the programs in syndication today, he said. They are King World, Columbia Pictures Television, Paramount, Disney and Warner Bros.

"Their clout in the renewal process and marketplace leverage" make it much harder for smaller players to enter the market with programing alternatives, he said. □

NATPE: more work and less play?

Association president says distributors are trying to cut costs by having convention put restrictions on "carnival" aspects of gathering

Imagine attending a NATPE International convention and not being accosted in the aisles by a scantily clad belly dancer, possibly with a boa constrictor wrapped around her neck, or someone dressed up like Fred Flintstone or some other cartoon character. Imagine no more game show demonstrations or wrestling matches, no more mid-afternoon cocktail and roast beef sandwich at a favorite booth.

Such is the stuff of countless consumer press stories about the NATPE show that have given it its "carnival-like" reputation. But all that may change at next year's convention in New Orleans.

There is a movement afoot, led by program distributors seeking to cut costs, to tone down the convention environment, and to provide a more "businesslike" atmosphere, NATPE President Phil Corvo said last week. The board of directors is scheduled to vote by the end of this month on a series of proposals designed to tone down the annual convention.

Among the proposals offered by distributors:

- Tightening security and reducing the number of free passes (now up to 25 per distributor, with the opportunity to purchase more) given to nonindustry people.
- Restricting the elaborate foodspreads

NBC takes another week, 13.7/23, CBS second with 12.4/21

Nielsen	□	Net	□	Show
1	23.8/35	A		Roseanne
2	21.7/39	N		Cosby Show
3	20.8/33	N		Cheers
4	20.7/35	N		Different World
5	19.8/38	C		60 Minutes
6	19.5/35	N		Golden Girls
7	19.2/30	A		Wonder Years
8	19.2/36	N		Hunter
9	19.0/31	C		CBS Sunday Movie
10	19.0/34	N		Empty Nest
11	18.5/30	C		Murder, She Wrote
12	18.3/29	N		Dear John
13	18.1/30	N		L.A. Law
14	17.9/30	A		Who's the Boss?
15	17.7/27	A		Have Faith
16	16.7/27	N		Matlock
17	16.2/25	N		NBC Sunday Movie
18	15.9/27	C		Knots Landing
19	15.8/24	N		In the Heat of the Night
20	15.5/24	C		Designing Women
21	15.5/26	N		Midnight Caller
22	15.4/27	N		Unsolved Mysteries
23	15.2/28	A		Full House
24	15.2/24	N		Night Court
25	14.5/24	N		ALF
26	14.4/23	C		Jake and the Fatman
27	14.3/23	C		Murphy Brown
28	14.2/23	A		ABC Mystery Movie
29	14.2/26	A		Growing Pains
30	14.0/23	A		thirtysomething
31	13.9/22	C		Newhart
32	13.8/24	C		Dallas
33	13.7/24	A		Mr. Belvedere
34	13.5/22	A		MacGyver
35	13.4/21	A		War and Remembrance, part 8
36	13.4/21	N		Night Court special
37	13.2/22	A		Head of the Class
38	13.2/25	A		Perfect Strangers
39	12.9/24	A		20/20
40	12.6/21	A		Just the Ten of Us
41	12.2/21	A		China Beach
42	12.1/21	C		Kate and Allie
43	12.1/22	N		One of the Boys
44	12.0/21	C		Wiseguy
45	11.9/22	C		Falcon Crest
46	11.9/19	N		Nearly Departed
47	11.3/22	N		227
48	11.2/20	C		48 Hours
49	11.1/18	N		NBC Monday Movie
50	11.0/21	C		Beauty and the Beast
51	10.8/17	C		Equalizer
52	10.6/19	N		Quantum Leap
53	10.5/17	N		Family Ties
54	10.2/16	F		Married...With Children
55	10.1/16	C		Heartland
56	9.8/15	N		My Two Dads special
57	9.7/16	A		Robert Guillaume Show
58	9.6/15	C		CBS Tuesday Movie
59	9.4/15	A		Coach
60	9.4/15	A		Dynasty
61	9.2/18	A		Mission: Impossible
62	8.8/16	C		West 57th
63	8.8/14	F		America's Most Wanted
64	8.5/14	C		Live-In
65	8.0/14	C		Jesse Hawkes
66	7.9/15	C		Paradise
67	7.9/14	N		Miami Vice
68	7.7/12	C		Tour of Duty
69	7.5/13	C		Hard Time on Planet Earth
70	6.8/13	N		Magical World of Disney
71	6.6/12	N		Dream Street
72	6.5/12	F		Cops
73	6.4/11	A		Man Called Hawk
74	6.4/11	A		Burning Questions: Kids, part 2
75	6.4/12	F		21 Jump Street
76	5.6/10	N		Jim Henson Hour
77	5.3/9	A		Over the Edge special
78	4.9/8	F		Reporters
79	4.6/7	F		Garry Shandling Show
80	4.4/8	A		SST: Stage, Screen and TV
81	4.2/7	F		Beyond Tomorrow
82	4.1/8	A		Three of a Kind
83	3.9/6	F		Tracey Ullman Show
84	3.3/5	F		Duet

Syndication Scorecard *

(Week ending April 30)

	Rtg.	Show	Stns.	Covg.
1	13.1	Wheel of Fortune, syn.	228	99
2	12.1	Jeopardy	210	97
3	9.5	Cosby Show	198	97
4	8.7	Oprah Winfrey Show	214	99
5	8.6	Wheel of Fortune, wknd.	210	91
6	8.3	Star Trek	233	97
7	7.8	Nat'l Geo. On Assignment	138	92
8	7.5	Magic 1, special	173	91
9	7.0	Entertainment Tonight	166	93
10	6.7	Tri-Star Showcase	123	91
11	6.6	Current Affair	147	91
12	5.9	Mama's Family, syn.	191	98
13	5.7	Friday the 13th	214	95
14	5.6	People's Court	187	93
15	5.4	Donahue	221	97
16	5.4	Soul Train Music Awards	90	84

The following programs are included, but not ranked:

	6.3	Super Sports Follies	95	85
	9.5	World Wrestling Fed.	246	97

* Nielsen syndicated weekly pocketpiece

© 1989 Nielsen Media Research, Arbitron